# STATE OF ILLINOIS ILLINOIS COMMERCE COMMISSION

PRIMECO PERSONAL COMMUNICATIONS,

v.

Docket No. 00-670

ILLINOIS BELL TELEPHONE COMPANY d/b/a AMERITECH ILLINOIS,

Complaint pursuant to Sections 13-514 and 13-515 : of the Public Utilities Act.

#### REVISED REBUTTAL TESTIMONY OF RICHARD M. CANE Technical Director, Midwest Region

#### PRIMECO PERSONAL COMMUNICATIONS

**JANUARY 17, 2001** 

CHIEL CLERK'S OFFICE

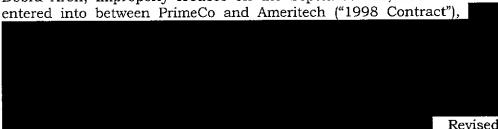
10. HA 23 11 55 837

COMMERCE COMMISSION

- Q1. Are you the same Richard M. Cane who previously submitted direct testimony in this docket?
- 4 A. Yes.

- 6 Q2. What is the purpose of your rebuttal testimony?
  - A. The purpose of my rebuttal testimony is to clarify the issue PrimeCo Personal Communications ("PrimeCo") raised in the Complaint it filed against Ameritech Illinois ("Ameritech"), and respond to various statements and proposals contained in the direct testimony of Ameritech witnesses James E. Devine, Director Wireless Sales, and Debra J. Aron, Director of LEGC's Evanston, Illinois offices.
  - Q3. Please describe the issue PrimeCo raised in its Complaint.
  - A. As set forth in PrimeCo's Complaint, and in the testimony of all of PrimeCo's witnesses, this proceeding concerns the unreasonably poor and substandard quality of the DS1 Services Ameritech is and has been providing PrimeCo as well as the detrimental impact Ameritech's poor service is having on PrimeCo's ability to compete in Illinois' wireless telecommunications market.

The testimony of Ameritech's witnesses, particularly the testimony of Debra Aron, improperly focuses on the September 11, 1998 contract entered into between PrimeCo and Ameritech ("1998 Contract"),



Direct Testimony of Richard M. Cane ("Cane Revised Direct") at 10. On the contrary, by this action, PrimeCo is attempting to ensure that Ameritech, now and in the future, will provide it with DS1 Services that satisfy reasonable performance standards, which is the only way PrimeCo will be able to effectively and efficiently compete in Illinois' wireless telecommunications market.

#### Comments Regarding the Direct Testimony of James E. Devine

Q4. As an initial matter, Mr. Devine attempts to challenge the basic premise of PrimeCo's Complaint. Specifically, at page 3 of Mr. Devine's testimony, citing what he describes as Ameritech's various efforts to work with PrimeCo to establish and maintain its wireless network, Mr. Devine takes issue with PrimeCo's contention that Ameritech has engaged in "unreasonable" conduct. Direct Testimony of James E. Devine ("Devine Testimony"). Do Mr. Devine's comments address the facts on which

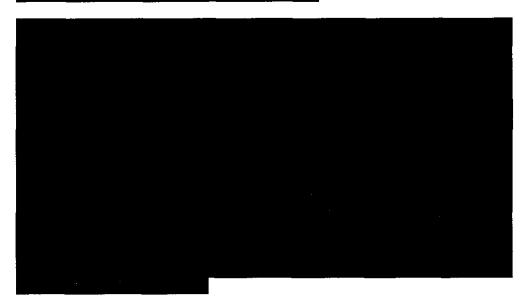
A.

PrimeCo based its conclusion that Ameritech's performance is unreasonable?

No. In my direct testimony, for example, I explain that Ameritech's DS1 Service is unreasonable, indeed substandard, because Ameritech has

Cane Revised Direct at 5. I further explain that

Cane Revised Direct at 6.



Further, although Ameritech has engaged in various efforts and implemented several initiatives in an attempt to improve its performance,

Cane Revised Direct at 8-9;

Moreover, certain of the Ameritech initiatives and other efforts to which Mr. Devine generally refers previously have been described as ineffective by Ameritech itself. See Service Improvement Plan developed by Ameritech's General Manager – Wireless Service, Thomas Harvey ("Harvey"), who is now a Vice President at Ameritech, which indicates that

A.

Finally, with respect to Mr. Devine's reference to Ameritech performance improvement initiatives that have not as yet been implemented, I am unable to comment on whether such initiatives will be effective. I would further add that the first time I even became aware of such planned initiatives was when I reviewed Ameritech's testimony in this proceeding.

Q5. Please comment on Mr. Devine's contention that

areas. Devine Testimony at
5.



Secondly,

However, the similarity of

the widespread geographic location of various wireless networks, and Ameritech's network, is not particularly significant, because Mr. Devine's attempted distinction between the physical layout of the networks is irrelevant. Even if true, it simply would not justify or excuse Ameritech's poor performance.

Also, as Mr. Devine admits, the DS1 Service Ameritech is providing PrimeCo is a competitive service that Ameritech is under no statutory obligation to provide. Devine Testimony at 4-6. Rather, Ameritech bid for the right to provide DS1 Service to PrimeCo. In connection with that bidding process, as well as in the 1996 contract into which PrimeCo and Ameritech entered after the bidding was completed (the "1996 Contract"), and, most significantly, in the 1998 Contract,

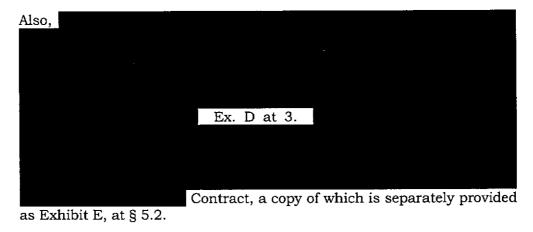
149		
150		<u> </u>
151		
152	Q6.	In addition to the physical location of PrimeCo's cell sites, Mr. Devine
153		also indicates that part of the reason Ameritech's DS1 performance is so
154		poor is
155		Devine Testimony at 6. Please
156		comment on this proposed justification of Ameritech's poor performance.
157		
158	A.	Like PrimeCo, various other wireless carriers, including AT&T, Sprint,
159		and Voicestream,
160		
161		

Like PrimeCo, various other wireless carriers, including AT&T, Sprint, and Voicestream,

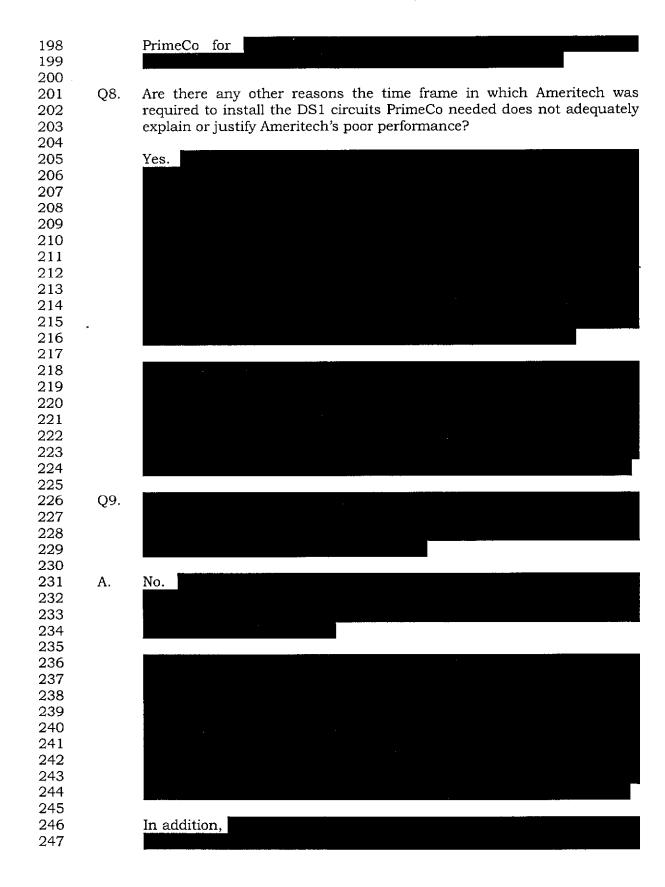
See Devine Testimony at 6. Also, when Ameritech entered into the 1998 Contract,

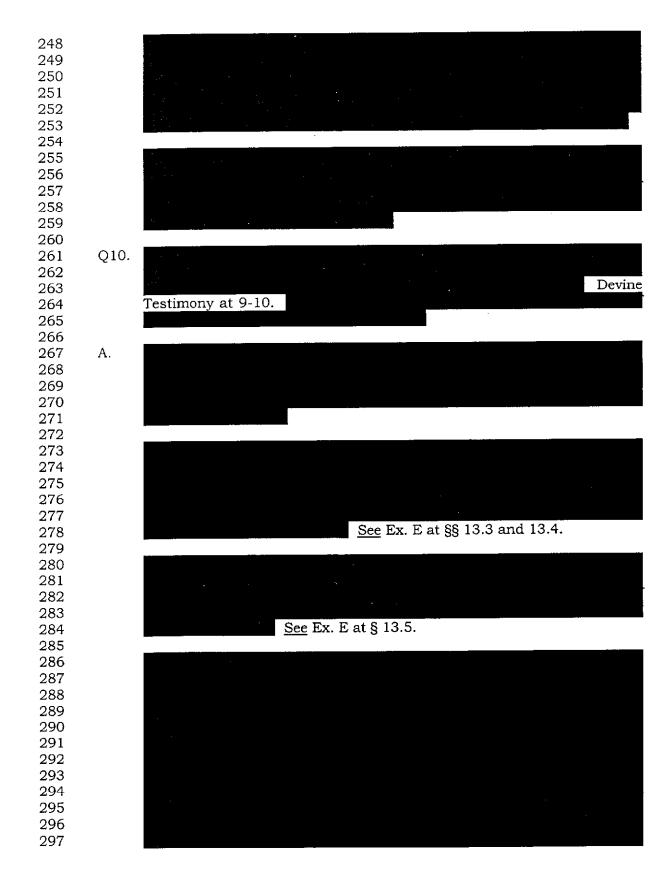
- Q7. A further reason Mr. Devine offers to explain Ameritech's poor performance is the short time frame in which Ameritech was required to install the DS1 circuits PrimeCo needed. Devine Testimony at 6. Please comment on this proposed justification of Ameritech's poor performance.
- A. The installation intervals for DS1 circuits should not affect their performance.

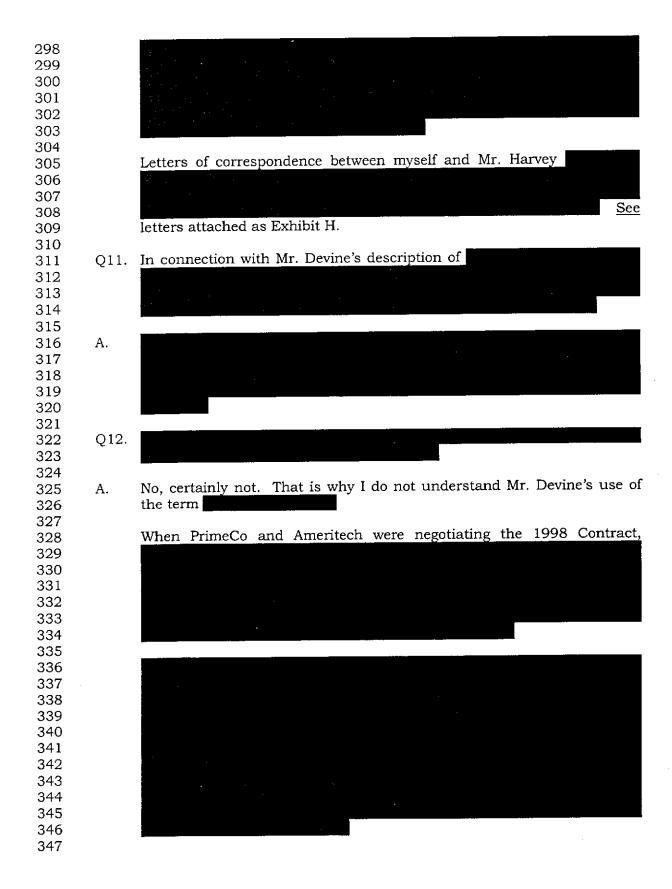
Additionally, PrimeCo worked jointly with Ameritech to determine the installation schedules for PrimeCo circuits. Ameritech provided PrimeCo with the delivery dates for the installations.

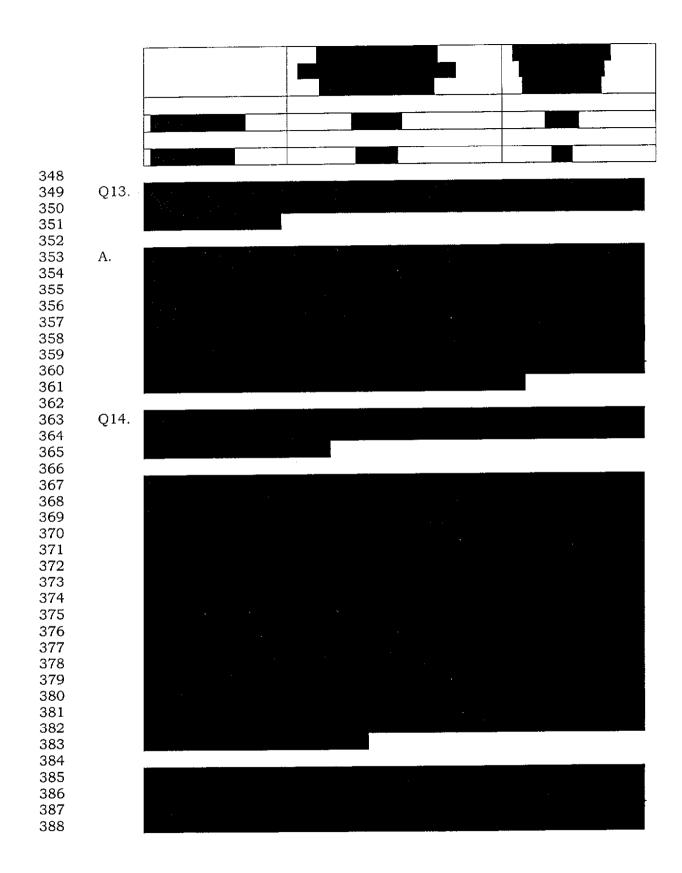


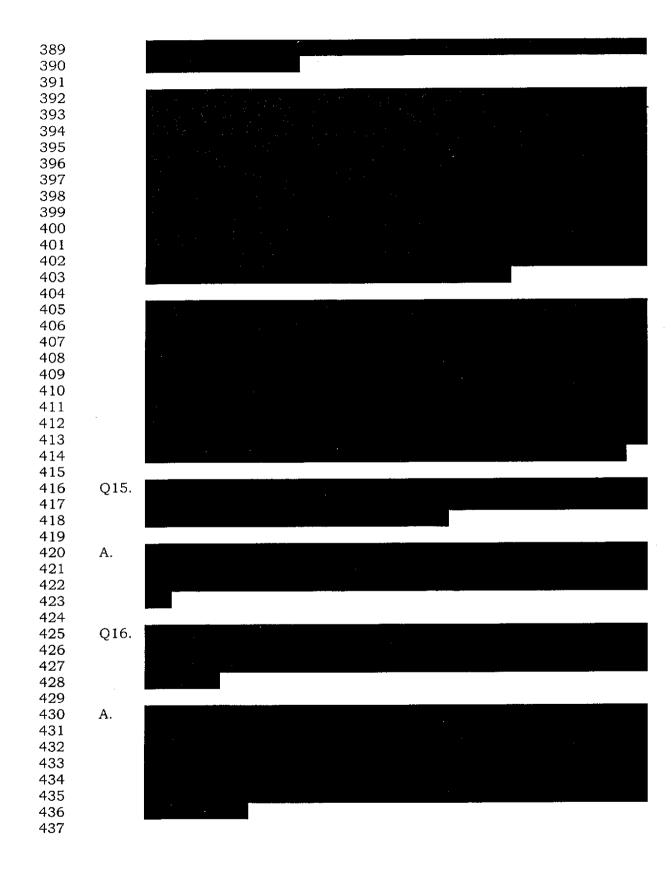
In essence, then, Ameritech appears to be attempting to excuse its failure to provide PrimeCo with reasonable and reliable DS1 Services by blaming

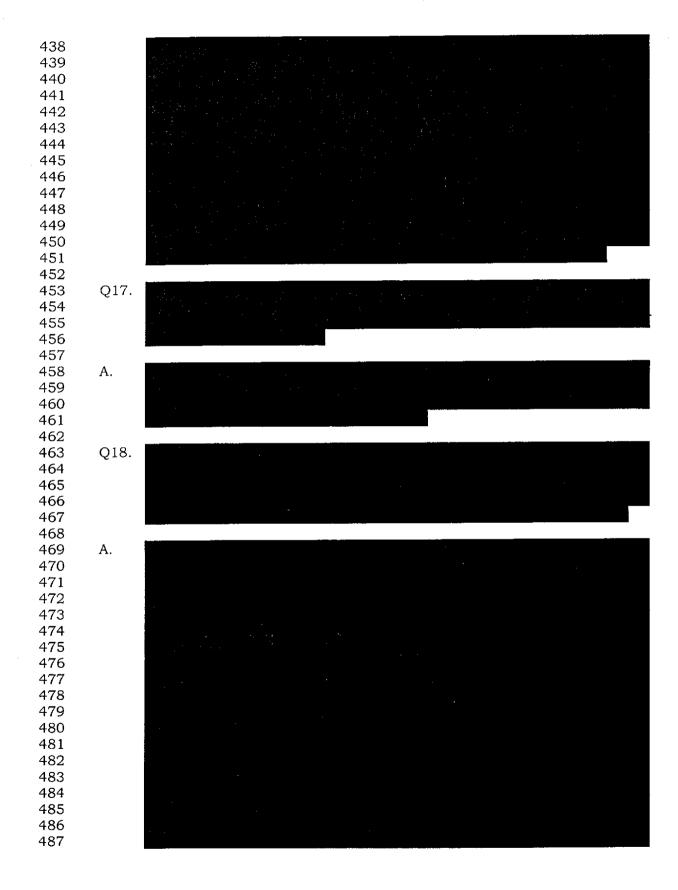


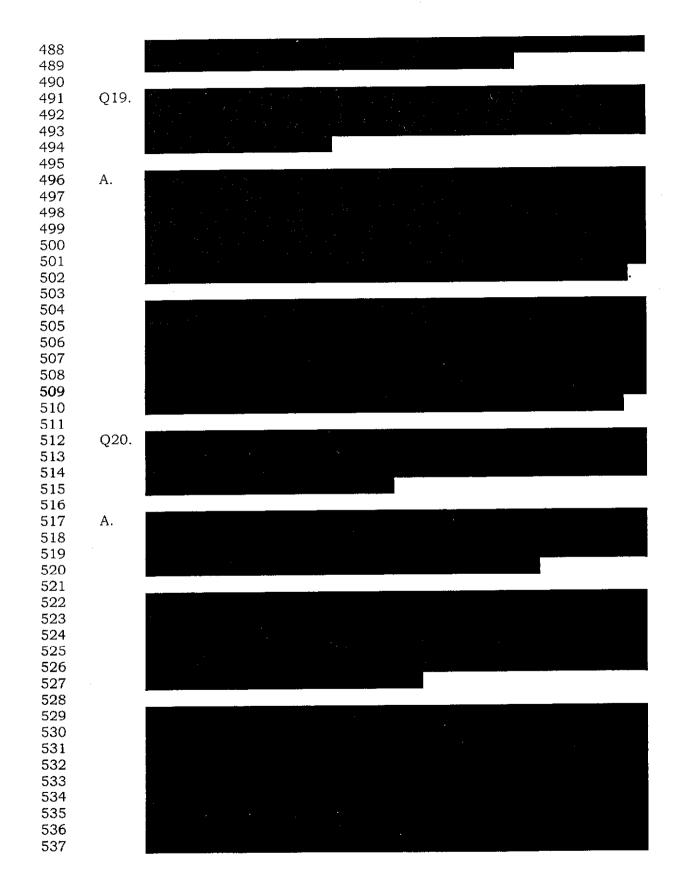


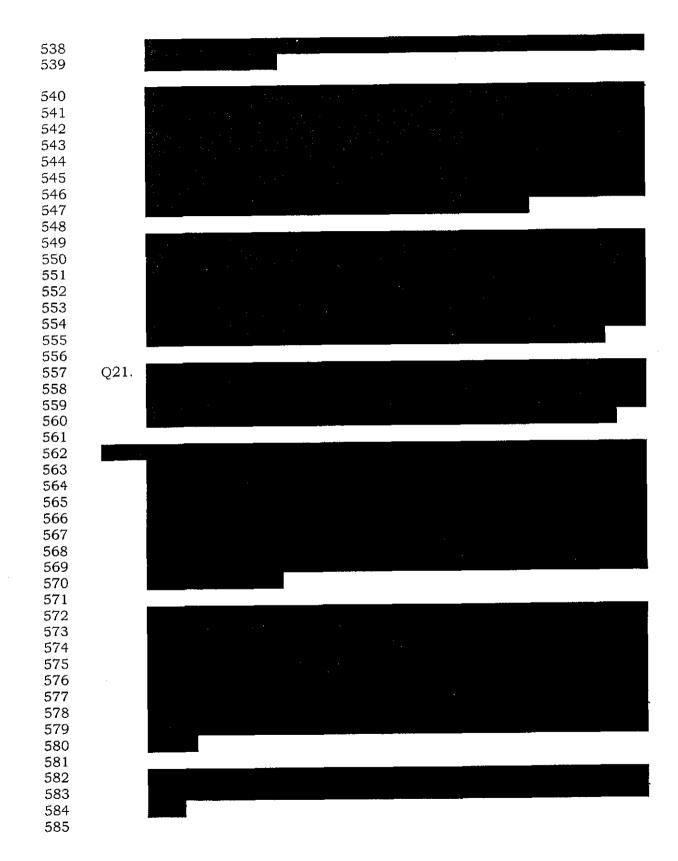


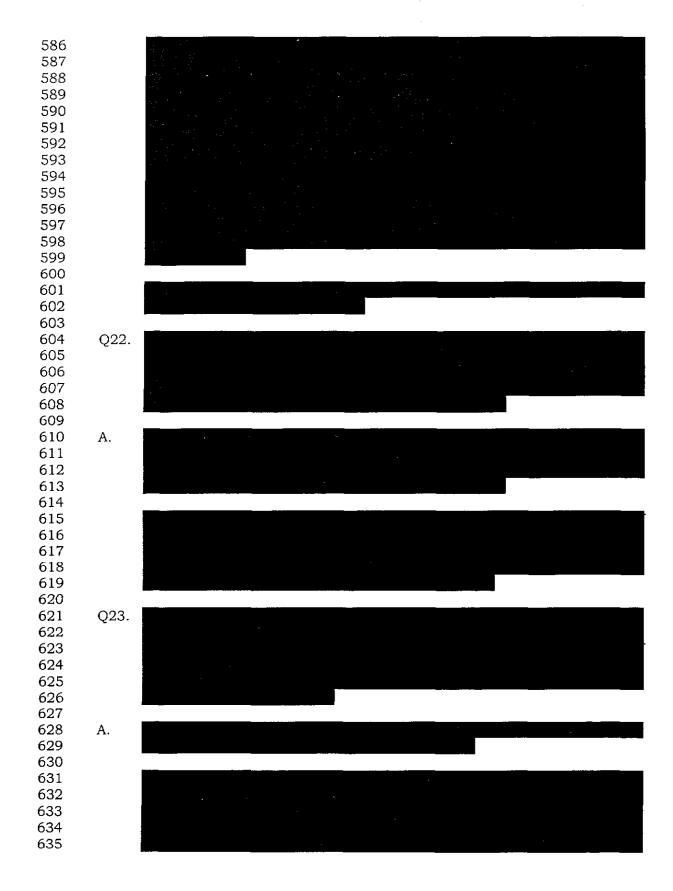


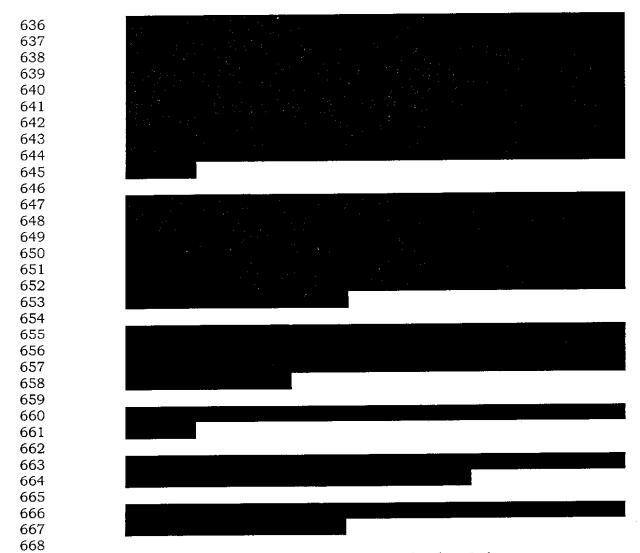












#### Comments Regarding the Direct Testimony of Debra J. Aron

- Q24. Mr. Cane, turning your attention to the testimony of Ameritech witness Debra Aron ("Aron"), please explain whether Ms. Aron is correct in concluding that based on the proximity of the networks of alternative service providers ("ASP") to PrimeCo's cell sites, PrimeCo can be served by various ASPs?
- A. No. Ms. Aron's conclusion that PrimeCo can be served by various ASPs because of the proximity of their networks to PrimeCo's cell sites is not accurate.

  In order

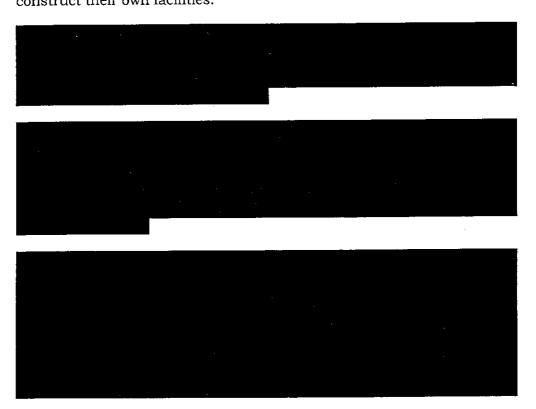
for these ASPs to provide PrimeCo with replacement DS1 services, they would either have to lease local loop facilities from Ameritech or

construct network facilities from their nearest node location to PrimeCo's cell site. Mr. Devinc confirms this in his response to Question 44 at page 26 of his testimony.

PrimeCo's use of an ASP that leases local loop facilities from Ameritech would not address the majority of PrimeCo's service issues,

Direct Testimony of George Papadakis at 3. In fact, use of such an ASP could increase outage durations by introducing a third party between PrimeCo and Ameritech for reporting and troubleshooting circuit outages.

I believe a similar situation exists for ASPs providing digital subscriber line (DSL) services. While many ASPs have constructed their own facilities to Ameritech's wire centers, as indicated by Ms. Aron, in most instances, they have preferred to lease local loop facilities from Ameritech to provide DSL rather than build their own facilities to individual customer locations. Given the expansiveness of Ameritech's existing local distribution network, I believe it is very often more economical for ASPs to lease local loop facilities from Ameritech than construct their own facilities.

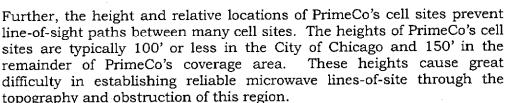


736 737 738		
739 740 741	Q25.	Is Ms. Aron correctircuits with micro
742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 <b>75</b> 7	A.	No. Her statement other broadband to other broadband we microwave or similar other PrimeCo cell radio site location. configured for the interest of facilities that microwave or similar generally restrict
758 759 760 761		Many landlords ty same manner as a PrimeCo's rent for t
761 762 763 764 765 766		
767 768 769 770		Further, the height line-of-sight paths sites are typically remainder of Prin

Q25. Is Ms. Aron correct in stating that PrimeCo could replace its Ameritech circuits with microwave or other broadband wireless technologies?

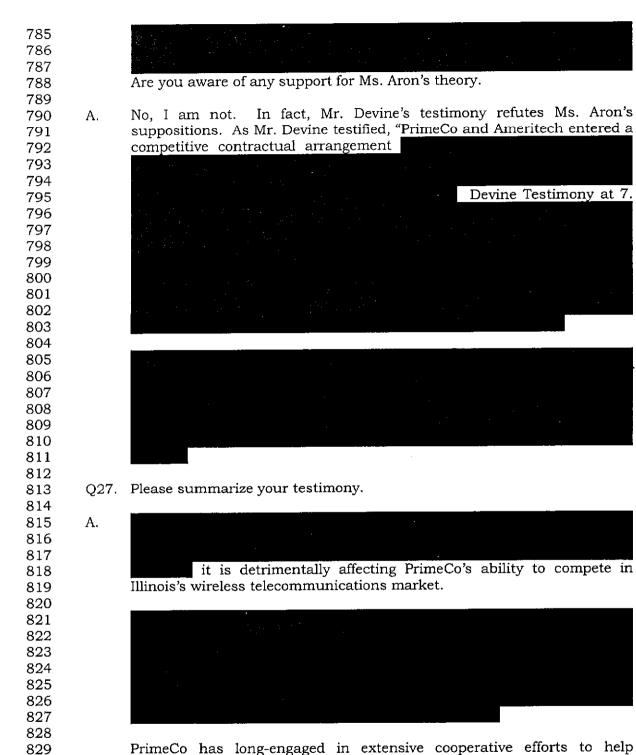
No. Her statements regarding PrimeCo's ability to utilize microwave or other broadband technologies are not correct. The use of microwave or other broadband wireless technologies would require the installation of microwave or similar antennas at PrimeCo's cell sites with line-of-sight to other PrimeCo cell sites or to a broadband wireless service provider's radio site location. In general, PrimeCo's cell sites are not constructed or configured for the installation of such antennas.

Existing towers contain other carriers or facilities that limit the structural capacity for PrimeCo to add microwave or similar antennas. Landlords' leases or zoning permits also generally restrict the installation of microwave or similar antennas. Many landlords typically treat microwave or similar antennas in the same manner as an additional carrier, which would effectively double PrimeCo's rent for the site.



Finally, PrimeCo's use of a broadband wireless service provider may not address PrimeCo's service quality issues, because these service providers often lease high capacity services from Ameritech to backhaul their radio site locations.

Q26. At pages 15-16 of her testimony, Ms. Aron postulates that "[t]he anticipation of switching costs possibly being incurred later on is part of the reason that providers entering long term contracts are willing to negotiate price discounts, and purchasers demand them." Ms. Aron further states,



PrimeCo has long-engaged in extensive cooperative efforts to help Ameritech improve its performance, essentially to no avail. Now, PrimeCo's recourse is to the Illinois Commerce Commission, the body charged with ensuring that ILEC's like Ameritech do not knowingly impede the development of competition in the wireless telecommunications market by engaging in unreasonable conduct.

835 836 837		Based on the evidence PrimeCo has submitted, it is clear that Ameritech's performance is unreasonable.
838		Therefore, to ensure that Ameritech does not unfairly prevent PrimeCo
839		from effectively and efficiently competing in Illinois' wireless
840		telecommunications market, the Illinois Commerce Commission should
841		require Ameritech to materially improve the quality of the DS1 Services it
842		provides PrimeCo within a set time frame. The Commission also should
843		require Ameritech to ensure that it maintains its DS1 Services at an
844		acceptable level, as measured against reasonable performance
845		standards.
846		
847 848	Q28.	Does this conclude your testimony?
849	A.	Yes.

### PRIMECO EXHIBIT 2, TAB A

PRIMECO EXHIBIT 2, TAB A CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB A CONTAINS WIRELESS SERVICE PERFORMANCE RESULTS FOR PRIMECO

#### PRIMECO EXHIBIT 2, TAB B

PRIMECO EXHIBIT 2, TAB B CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB B CONTAINS WIRELESS SERVICE PERFORMANCE RESULTS FOR PRIMECO

### PRIMECO EXHIBIT 2, TAB C

PRIMECO EXHIBIT 2, TAB C CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB C CONTAINS A CHART DETAILING PRIMECO NETWORK PERFORMANCE RESULTS

#### PRIMECO EXHIBIT 2, TAB D

PRIMECO EXHIBIT 2, TAB D CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB D CONSISTS OF A LETTER OF INTENT BETWEEN PRIMECO AND AMERITECH

#### PRIMECO EXHIBIT 2, TAB E

PRIMECO EXHIBIT 2, TAB E CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB E CONTAINS A
CONTRACT BETWEEN AMERITECH AND
PRIMECO FOR AMERITECH OC-48
DEDICATED RING SERVICE AND DS1 HIGH
CAPACITY DIGITAL SERVICE

#### PRIMECO EXHIBIT 2, TAB F

PRIMECO EXHIBIT 2, TAB F CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB F CONTAINS AMERITECH'S VENDOR AUTHORITY STATEMENT

#### PRIMECO EXHIBIT 2, TAB G

PRIMECO EXHIBIT 2, TAB G CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB G CONTAINS A
CONTRACT BETWEEN AMERITECH AND
PRIMECO FOR AMERITECH OC-48
DEDICATED RING SERVICE AND DS1 HIGH
CAPACITY DIGITAL SERVICE

#### PRIMECO EXHIBIT 2, TAB H

PRIMECO EXHIBIT 2, TAB H CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB H CONTAINS
PROPOSED LANGUAGE FOR THE
PRIMECO/AMERITECH CONTRACT SECTION
TITLED PERFORMANCE GUARANTEE

#### PRIMECO EXHIBIT 2, TAB I

PRIMECO EXHIBIT 2, TAB I CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB I CONTAINS WIRELESS SERVICE PERFORMANCE RESULTS FOR PRIMECO

#### PRIMECO EXHIBIT 2, TAB J

PRIMECO EXHIBIT 2, TAB J CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB J CONTAINS AMERITECH'S 1999 WIRELESS HICAP OBJECTIVES

# PRIMECO EXHIBIT 2, TAB K

PRIMECO EXHIBIT 2, TAB K CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB K CONTAINS AMERITECH'S OBJECTIVES FOR PRIMECO

### PRIMECO EXHIBIT 2, TAB L

PRIMECO EXHIBIT 2, TAB L CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB L CONTAINS VARIOUS EMAIL CORRESPONDENCES

#### PRIMECO EXHIBIT 2, TAB M

PRIMECO EXHIBIT 2, TAB M CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB M CONTAINS PRESENTATION MATERIALS TITLED WIRELESS TASK FORCE READOUT

## PRIMECO EXHIBIT 2, TAB N

PRIMECO EXHIBIT 2, TAB N CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB N CONTAINS PRESENTATION MATERIALS TITLED WIRELESS TASK FORCE READOUT

#### PRIMECO EXHIBIT 2, TAB O

PRIMECO EXHIBIT 2, TAB O CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB O CONTAINS VARIOUS GRAPHS DETAILING UNAVAILABILITY OF CIRCUITS IN 1998

### PRIMECO EXHIBIT 2, TAB P

PRIMECO EXHIBIT 2, TAB P CONSISTS OF INFORMATION OF A CONFIDENTIAL AND PROPRIETARY NATURE AND HAS BEEN REDACTED IN ITS ENTIRETY.

PRIMECO EXHIBIT 2, TAB P CONTAINS PRESENTATION MATERIALS FOR THE AMERITECH – PRIMECO EXECUTIVE MEETING